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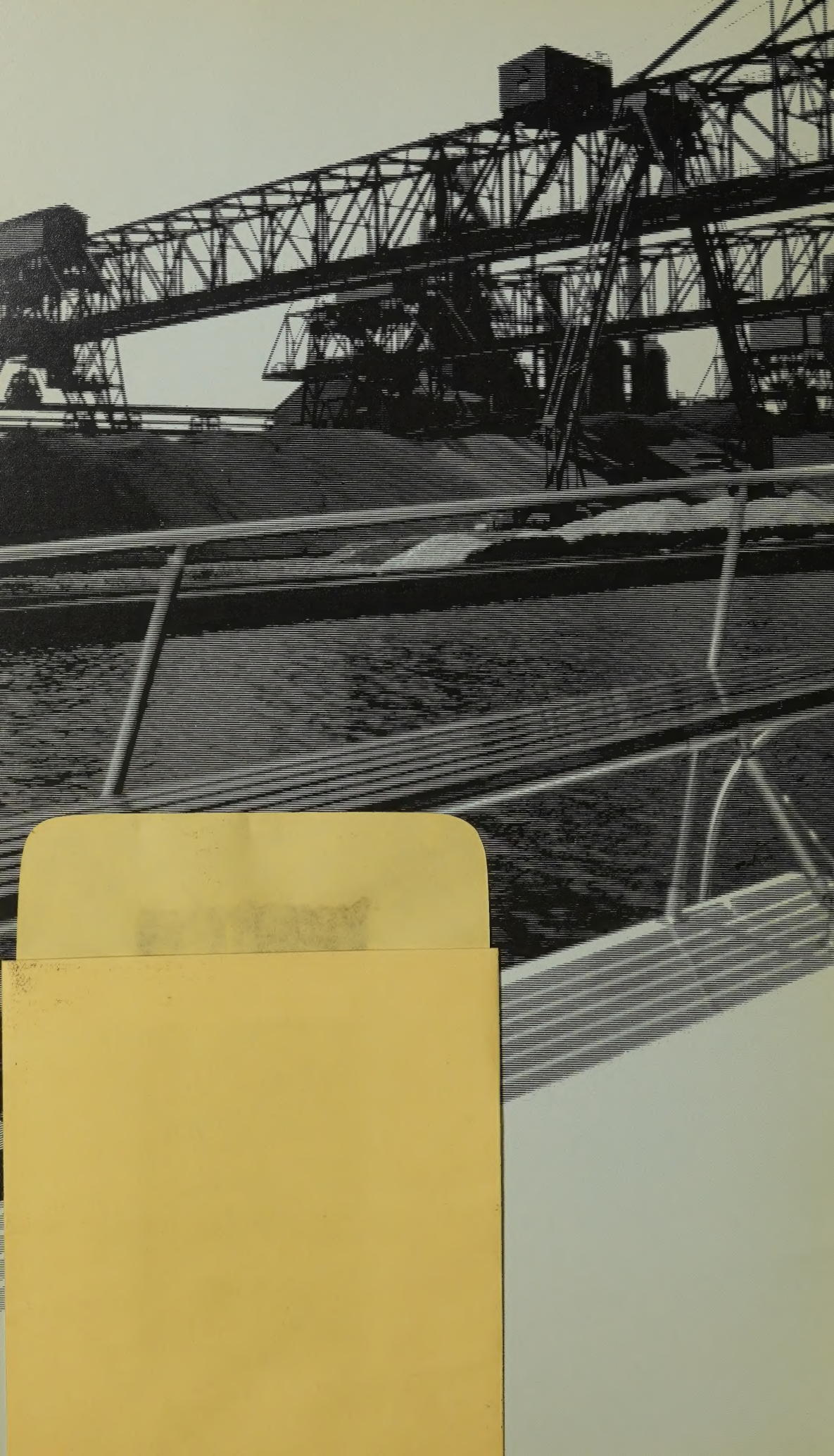
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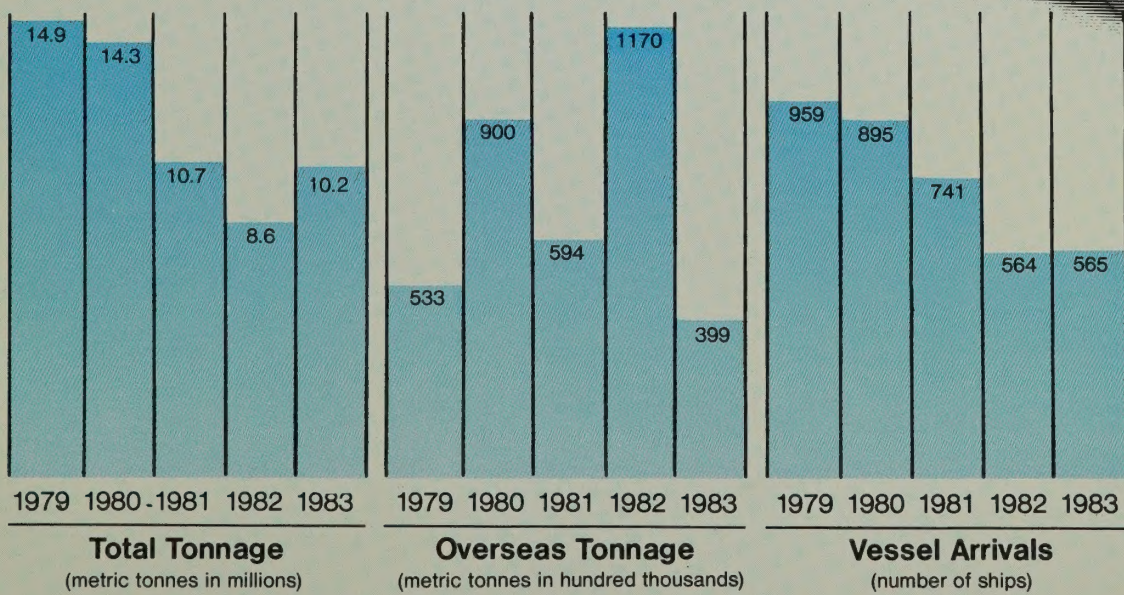
THE PORT OF HAMILTON, CANADA

Annual
Report
1983

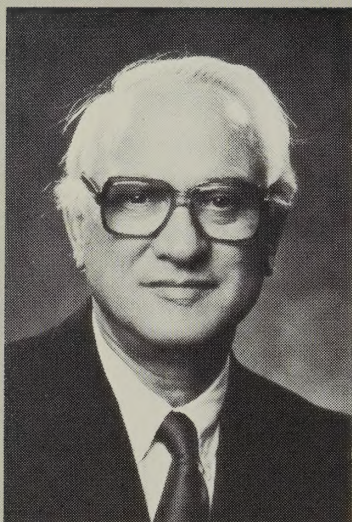


The Hamilton
Harbour
Commissioners





REPORT OF THE CHAIRMAN



The Hamilton Harbour Commissioners are pleased to present, this, our 1983 Annual Report.

It was a year highlighted by a number of positive points, including an increase in total tonnage through the Port, completion of our major redevelopment scheme for Pier 12, several expansions by our Port tenants and commencement of construction on the first stage of our East Port Development. However, a substantial decrease in general cargo tonnage, reflecting the continuing slow economy, negatively impacted on our operating revenues for 1983. We look to an improved situation next year, as the economy, in general, improves.

To assist in the recovery of the Canadian economy, the Port of Hamilton was designated on April 26, 1983 as a recipient of 8.04 million dollars under the Government of Canada's Special Capital Recovery Projects Program. These monies are to be spent between 1983 and 1986 for construction of our ambitious East Port Development on Pier 25.

On July 14, 1983 this grant was officially approved by the Treasury Board. For the first three years of the project \$6.88 million will be provided under the Special Capital Recovery Projects Program. Funding for the final \$1.160 million in the fourth year will be provided by the Ministry of Transport.

In 1983, these funds were used to construct the major land improvements of Stage I in the form of sewers, watermains, roads, drainage and power supply. In addition, to be completed in 1983/84 as part of Stage II, are the road/rail bridge between Piers 24 and 25 as well as further road improvements. Marketing and promotion of East Port to attract new business to the Port commenced in 1983 and will be ongoing to 1986.

One of the prime attractions of East Port is that it fronts directly onto the Queen Elizabeth Way, Ontario's busiest highway.

Other major transportation projects dominated the port environs in 1983. The Province of Ontario has commenced construction of the \$38.7 million highway project to reconstruct and widen the Burlington Skyway Bridge, ultimately to ten lanes of traffic. The Port was happy to assist in this undertaking by arranging for the sale of land to provide the necessary right of ways for this expansion.

The road system linking Hamilton's industrial core with the Port has been improved by the reconstruction of Burlington Street, the Region of Hamilton-Wentworth's major industrial corridor. The \$32 million project, provides a four lane overhead bridge structure for the through traffic and a four lane service road at grade beneath the structure to accommodate the local traffic. The new expressway, officially opened on September 9, 1983, will greatly improve access to the hinterland from the Port area.

The recreational aspects of Hamilton Harbour are becoming increasingly popular with the Commissioners maintaining full berthage at their marina and their high level of marine services to the boating public at their marine repair and service dock. The Commissioners' Sailing School, now in its 9th year, provided an economical educational opportunity to some 1,850 students in 1983.

As always, it was a pleasure to serve on the Board with my fellow Commissioners Mr. P. T. Flaherty and Mr. B. M. Alway. Their efforts and support, together with that of Port management and staff, have helped us weather these recent troubled economic times.

We now, together, look forward to 1984 in anticipation that the new seeds planted this past year will continue to foster future growth in the Harbour for years to come.

A handwritten signature in dark ink, reading "John L. Agro". The signature is fluid and cursive, with the first name "John" being the most prominent part.

John L. Agro, Q.C.
Chairman

1983 was another year of shifting economics and cargo patterns at the Port. Last year, although total tonnage was down, the Port managed to maintain levels of revenues generated, thanks to a record year of general overseas cargo. By contrast, 1983 saw the total cargo tonnage through the Port increase to 10,280,549 metric tonnes, the tonnage increase consisting primarily of bulk cargo commodities. However, this increase was over-shadowed by a decrease in overseas general cargo. The general cargo tonnage was the lowest in recent memory at the Port and reflected the downturn in general cargo in the Great Lakes system as a whole. This fact, when coupled with decreased Canadian export, negatively impacted on the Port's ability to generate revenues. Thus 1983 saw the Port's first operating loss in recent years.

On the brighter side, 1983 saw the successful completion of the Port's Pier 12 redevelopment plan. After a four year effort and a seven million dollar expenditure, new Pier 12 was officially in operation for the 1983 shipping season. Opening ceremonies were held on the Pier, on May 26 and were well attended by the marine community and local interest alike. The facility, created as a bulk materials wharf, consists of 1,009 metres of seaway draft berthage and 16 hectares of back-up land. The new pier also features Hamilton's first Ro-Ro berth, enhancing our ability to accommodate this type of cargo movement.

While Pier 12 was being finalized in 1983, the Port, in July, also initiated construction of site services for East Port at Pier 25. This year's expenditure at East Port for construction of access roadways, landscaping and utility services was 1.83 million dollars. Design for a new road/rail bridge to link East Port to Pier 24 was also commenced.

This project is scheduled for construction in early 1984 together with the first stage of the Pier 25 shipping berth.

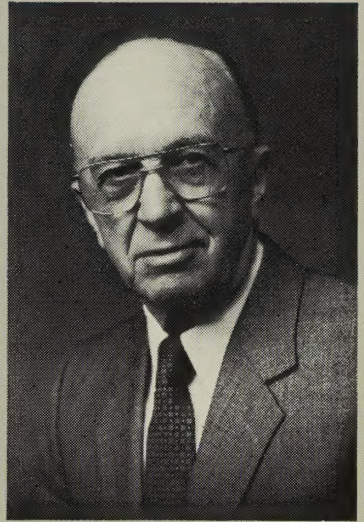
The Port expanded in other areas during 1983. The Commissioners in a co-operative effort with the International Longshoremen's Association, Locals 1654 and 1879, constructed a new 280 square metre air conditioned office and hiring hall. The Commissioners and their Longshoring labour force are pleased that this new facility will assist the Port in providing more efficient dispatch of labour to our overseas docks for years to come.

Performance of all Port services and personnel was of a high standard in 1983.

The Commissioners' Marine Dockyard continued to provide their popular facilities and services to the community in 1983. We are pleased to be able to offer these recreational and community services even in these difficult economic times.

During the past year the Port was well represented at meetings of the International Association of Ports and Harbours, The American Association of Port Authorities, and the Canadian Port and Harbour Association; Port personnel continued to be active in the deliberations of these organizations.

In summary, while 1983 was certainly a marginal year in terms of shipping revenues, it was, however, highlighted by the completion and commencement of new and vital development projects at the Port. With these ongoing improvements, the Port at Hamilton looks to the future with optimism, knowing we will be better prepared to realize our prime commitment to continue serving industry, commerce and the public users of Hamilton Harbour.



A handwritten signature in dark ink, which appears to read "Earl M. Perkins". The signature is fluid and cursive.

Earl M. Perkins
Port Director

FINANCIAL STATEMENTS

BALANCE SHEET AS AT DECEMBER 31, 1983 (with comparative figures for 1982)

ASSETS		
CURRENT		
	1983	1982
Cash	\$ —	\$ 452,300
Accounts receivable	782,509	1,207,815
Accrued interest receivable	420,544	136,213
Inventory	75,139	72,421
Prepaid expenses	45,971	46,389
	<u>1,324,163</u>	<u>1,915,138</u>
INVESTMENTS APPROPRIATED FOR		
FUTURE HARBOUR IMPROVEMENTS (note 3)	9,200,000	5,100,000
FIXED		
Land, docks and harbour improvements	24,869,066	18,164,974
Buildings	5,814,249	5,792,479
Equipment and vessels	4,158,631	4,078,839
	<u>34,841,946</u>	<u>28,036,292</u>
Less accumulated depreciation	14,743,266	13,688,857
	<u>20,098,680</u>	<u>14,347,435</u>
CAPITAL DEVELOPMENT IN PROGRESS	3,722,971	8,293,829
	<u>23,821,651</u>	<u>22,641,264</u>
	<u>\$34,345,814</u>	<u>\$29,656,402</u>
LIABILITIES		
CURRENT		
Bank indebtedness	\$ 18,474	\$ —
Accounts payable and accrued liabilities	397,267	368,771
Current portion of long-term debt	191,496	183,618
	<u>607,237</u>	<u>552,389</u>
LONG-TERM (note 4)		
Debentures payable —		
Government of Canada, 4-1/8%, to be redeemed before the year 2005	825,000	875,000
Loan payable —		
Government of Canada, due December 31, 1987, semi-annual instalments of blended principal and interest at 5-9/16%	262,232	328,366
at 6-1/16%	270,536	338,016
Loan payable		
Government of Canada	—	1,464,786
	<u>1,357,768</u>	<u>3,006,168</u>
Less current portion shown above	191,496	183,618
	<u>1,166,272</u>	<u>2,822,550</u>
TOTAL LIABILITIES	<u>1,773,509</u>	<u>3,374,939</u>
CAPITAL		
GENERAL CAPITAL	23,372,305	21,181,463
ALLOCATION FOR FUTURE HARBOUR IMPROVEMENTS (note 3)	9,200,000	5,100,000
	<u>32,572,305</u>	<u>26,281,463</u>
	<u>\$34,345,814</u>	<u>\$29,656,402</u>

STATEMENT OF GENERAL CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 1983
(with comparative figures for 1982)

	1983	1982
GENERAL CAPITAL— BEGINNING OF YEAR	\$21,181,463	\$19,559,267
Add — grants from federal government	1,789,568	885,187
— excess of revenue over expenses for the year	4,501,274	1,737,009
	<u>27,472,305</u>	<u>22,181,463</u>
Appropriation for future harbour improvements	4,100,000	1,000,000
GENERAL CAPITAL — END OF YEAR	<u>\$23,372,305</u>	<u>\$21,181,463</u>

STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1983
(with comparative figures for 1982)

	1983	1982
REVENUE		
Harbour operations	\$ 845,995	\$ 1,041,296
Terminals	900,199	4,485,495
Rental income	1,655,250	1,430,392
Marine dockyard	800,880	762,427
Sundry income	797,871	884,932
TOTAL REVENUE	<u>5,000,195</u>	<u>8,604,542</u>
OPERATING EXPENSES		
Harbour operations	779,068	703,011
Terminals	1,030,178	2,652,668
Rental expenses	332,870	364,168
Marine dockyard	637,996	544,964
Depreciation of docks, buildings and equipment	1,054,409	897,255
TOTAL OPERATING EXPENSES	<u>3,834,521</u>	<u>5,162,066</u>
GROSS OPERATING MARGIN	1,165,674	3,442,476
ADMINISTRATIVE, OFFICE AND GENERAL EXPENSES	1,494,432	1,623,540
INTEREST ON LONG-TERM DEBT	130,425	81,927
(DEFICIENCY) OR EXCESS OF REVENUE OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(459,183)	1,737,009
EXTRAORDINARY ITEM		
Gain on sale of land for twinning of Burlington Skyway Bridge	4,960,457	—
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 4,501,274</u>	<u>\$ 1,737,009</u>

AUDITORS' REPORT

To the Hamilton
Harbour Commissioners

We have examined the balance sheet of The Hamilton Harbour Commissioners as at December 31, 1983 and the statements of revenue and expenses, general capital and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Hamilton Harbour Commissioners as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

MacGillivray & Co.
CHARTERED ACCOUNTANTS

March 23, 1984

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1983

(with comparative figures for 1982)

	1983	1982
WORKING CAPITAL PROVIDED		
Excess of revenue over expenses	\$ 4,501,274	\$ 1,737,009
Items not affecting working capital in the current year —		
Depreciation	1,054,409	897,255
Net (profit) loss on fixed asset disposals	(4,962,857)	50,526
Total working capital provided from operations	592,826	2,684,790
Proceeds from disposal of fixed assets	4,975,899	7,240
Recovery of dredging costs	—	400,000
Government grants	1,789,568	885,187
	<u>7,358,293</u>	<u>3,977,217</u>
WORKING CAPITAL APPLIED		
Increase in fixed assets	2,247,838	2,623,280
Reduction of long-term liabilities	1,656,278	183,617
Increase in investments appropriated for future harbour improvements	4,100,000	1,000,000
	<u>8,004,116</u>	<u>3,806,897</u>
(DECREASE) INCREASE IN WORKING CAPITAL	(645,823)	170,320
WORKING CAPITAL AT BEGINNING OF YEAR	1,362,749	1,192,429
WORKING CAPITAL AT END OF YEAR	<u>\$ 716,926</u>	<u>\$ 1,362,749</u>

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1983

1. SIGNIFICANT ACCOUNTING POLICIES

- (a) Revenue and expenses are accounted for on the accrual basis.
- (b) Fixed Assets and Depreciation —
Fixed assets are recorded at acquisition cost.
Depreciation is provided on a straight-line basis at the following rates:
Docks and improvements — 2%, 5%, 10%, 20%
Buildings — 2-1/2%, 5%, 10%, 20%
Vessels and equipment — 10%, 15%, 20%
- (c) Inventory — Inventory is recorded at actual cost on a first-in, first-out basis.
- (d) Grant Recognition —
Capital grants are recorded, when receivable, as an increase in General Capital.

2. CONTINGENT LIABILITY

The City of Hamilton has challenged in the courts the exemption of Hamilton Harbour Commissioners' properties from municipal assessment and taxation, as provided for in the Assessment Act. This action is being defended. It is not possible as at December 31, 1983 to determine whether the Commissioners will incur any future liability as a result of this suit.

3. APPROPRIATION FOR FUTURE HARBOUR IMPROVEMENTS

During the year, the Commissioners appropriated a further \$4,100,000 of general capital for future harbour improvements, resulting in a total reserve of \$9,200,000 for this purpose. These funds are intended for future capital expenditures including the development of piers 25, 26 and 27 — Eastport Development.

This fund consists of bank deposit receipts and treasury bills in the amount of \$9,200,000. In 1983, the Commissioners approved a five-year capital budget of \$28,300,000.

4. EASTPORT DEVELOPMENT

In 1983 the Commissioners received a commitment from the Federal Government to assist in financing the Eastport Development. An amount of \$1,800,000 was received in 1983 and a further \$6,200,000 has been provided in the capital budget, as anticipated grants from this source in future years.

5. LONG-TERM DEBT

The aggregate amount of repayments on the long-term debt due within the next five years

is as follows: 1984 — \$191,496 1986 — \$208,687 1988 — \$ 50,000
1985 — 199,845 1987 — 132,740

CANADA'S HEARTLAND HARBOUR



Position:

43° 14' North, 79° 51' West, at the west end of Lake Ontario. Four mile (6.4 km) long and up to three and one half miles (5.6 km) wide.

Servicing:

CN and CP rail systems
Hamilton Civic Airport
Lester B. Pearson International Airport
Major and Independent Motor Truck Carriers

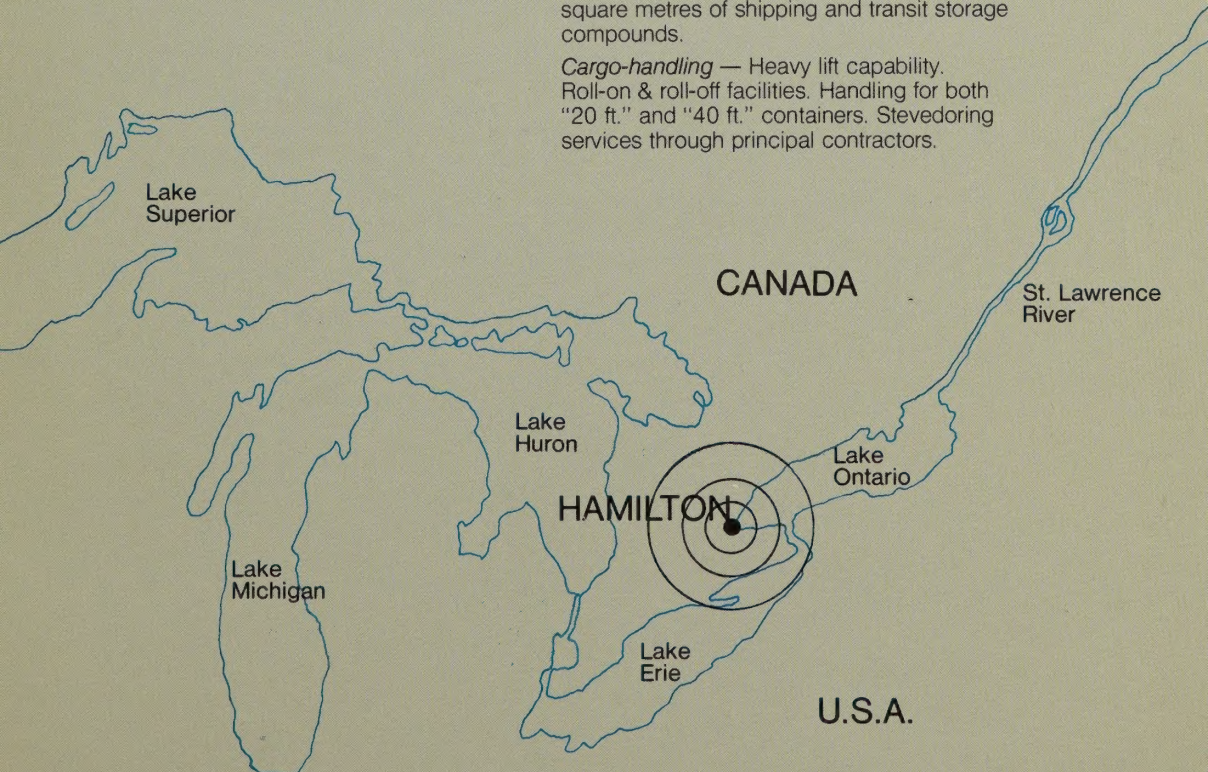
Berthing:

Sheltered Anchorage — 8854 metres of docking facilities, with drafts to all seaway requirements.

Completely Serviced Berthing — for ships up to 222 metres by 23 metres on 8 metres draft. Big enough for the biggest cargo-carriers, with full tug work boat and Chandler support.

Year-round Security and Storage — 59,272 square metres of warehousing, 276,870 square metres of shipping and transit storage compounds.

Cargo-handling — Heavy lift capability. Roll-on & roll-off facilities. Handling for both "20 ft." and "40 ft." containers. Stevedoring services through principal contractors.



A black and white photograph of a marina. In the foreground, a building with a large sign is visible. The sign reads "H. H. C." on the top line and "MARINE DOCK" on the bottom line. The building is dark, and the sign is light-colored. In the background, a body of water is filled with many sailboats. The water is calm, and the sky is overcast. The overall scene is a peaceful marina setting.

H. H. C.
MARINE DOCK





John L. Agro, Q.C.
Chairman

B. M. Alway
Commissioner

Peter T. Flaherty
Commissioner

Earl M. Perkins
Port Director



The Hamilton
Harbour
Commissioners

605 James Street North,
Hamilton, Ontario, Canada
L8L 1K1